

BI (Official Form 1) (04/13)

UNITED STATES BANKRUPTCY COURT Eastern District of New York					Case No. 15-43251				
Name of Debtor (if individual, enter Last, First, Middle): Bnois Spinka					Name of Joint Debtor (Spouse) (Last, First, Middle):				
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):					All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):				
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): 113039741					Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all):				
Street Address of Debtor (No. and Street, City, and State): 127 Wallabout Street Brooklyn, New York <div style="text-align: right; border: 1px solid black; padding: 2px;">ZIP CODE 11206</div>					Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right; border: 1px solid black; padding: 2px;">ZIP CODE</div>				
County of Residence or of the Principal Place of Business:					County of Residence or of the Principal Place of Business:				
Mailing Address of Debtor (if different from street address): <div style="text-align: right; border: 1px solid black; padding: 2px;">ZIP CODE</div>					Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right; border: 1px solid black; padding: 2px;">ZIP CODE</div>				
Location of Principal Assets of Business Debtor (if different from street address above): <div style="text-align: right; border: 1px solid black; padding: 2px;">ZIP CODE</div>									
Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)			Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other			Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 </div> <div> <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding </div> </div>			
Chapter 15 Debtors Country of debtor's center of main interests: Each country in which a foreign proceeding by, regarding, or against debtor is pending:			Tax-Exempt Entity (Check box, if applicable.) <input checked="" type="checkbox"/> Debtor is a tax-exempt organization under title 26 of the United States Code (the Internal Revenue Code).			Nature of Debts (Check one box.) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.			
Filing Fee (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached. <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.					Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,490,925 (amount subject to adjustment on 4/01/16 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).				
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.									THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000									
Estimated Assets <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input checked="" type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion									
Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input checked="" type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion									

B1 (Official Form 1) (04/13)

Page 2

Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s): Bnois Spinka	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed:	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor:	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>		<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>	
<p style="text-align: center;">Exhibit C</p> <p>Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.</p> <p><input checked="" type="checkbox"/> No.</p>			
<p style="text-align: center;">Exhibit D</p> <p>(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)</p> <p><input type="checkbox"/> Exhibit D, completed and signed by the debtor, is attached and made a part of this petition.</p> <p>If this is a joint petition:</p> <p><input type="checkbox"/> Exhibit D, also completed and signed by the joint debtor, is attached and made a part of this petition.</p>			
<p style="text-align: center;">Information Regarding the Debtor - Venue (Check any applicable box.)</p> <p><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.</p> <p><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</p> <p><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.</p>			
<p style="text-align: center;">Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)</p> <p><input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)</p> <p style="text-align: right;">_____ (Name of landlord that obtained judgment)</p> <p style="text-align: right;">_____ (Address of landlord)</p> <p><input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and</p> <p><input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.</p> <p><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).</p>			

Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s) Bnois Spinka	
Signatures			
Signature(s) of Debtor(s) (Individual/Joint) I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b). I request relief in accordance with the chapter of title 11, United States Code, specified in this petition. X _____ Signature of Debtor X _____ Signature of Joint Debtor Telephone Number (if not represented by attorney) _____ Date _____		Signature of a Foreign Representative I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition. (Check only one box.) <input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached. <input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached. X _____ (Signature of Foreign Representative) _____ (Printed Name of Foreign Representative) _____ Date	
X _____ Signature of Attorney* Signature of Attorney for Debtor(s) Leo Fox, Esq. Printed Name of Attorney for Debtor(s) Leo Fox, Esq. Firm Name 630 Third Avenue - 18th Floor New York, New York 10017 Address 212-867-9595 Telephone Number 07/16/2015 Date 7/16/15 *In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.		Signature of Non-Attorney Bankruptcy Petition Preparer I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached. _____ Printed Name and title, if any, of Bankruptcy Petition Preparer _____ Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.) _____ Address X _____ Signature _____ Date Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above. Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual. If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person. <i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</i>	
Signature of Debtor (Corporation/Partnership) I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition. X _____ Signature of Authorized Individual Jacob Feder Printed Name of Authorized Individual Secretary Title of Authorized Individual 07/16/2015 Date			

CORPORATE RESOLUTION

The undersigned is the Secretary of Bnois Spinka (the "Corporation") and is authorized to make this certification. The undersigned certifies that on July 16, 2015, a Special Meeting of the Board was regularly and duly held at 127 Wallabout Street, Brooklyn, New York, 11206.

At said Meeting, a resolution was passed, as follows:

"RESOLVED, that the Secretary and the Board be and hereby is authorized and directed to file on behalf of the Corporation an application under Chapter 11 of the Bankruptcy Code and to take all steps necessary and proper for the filing of said application, including the retention of Leo Fox, Esq. located at 630 Third Avenue, New York, New York 10017 as attorney for the bankruptcy filing."

Dated: Brooklyn, New York
July 16, 2015



Jacob Feder, Secretary

LEO FOX, ESQ. (LF-1947)
630 THIRD AVENUE, 18TH FLOOR
NEW YORK, NEW YORK 10017
(212) 867-9595

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
IN RE:

Case No.:
Chapter 11 Reorganization

BNOIS SPINKA,

**DECLARATION PURSUANT TO
LOCAL RULE 1007**

Debtor.

-----X

STATE OF NEW YORK)

ss.:

COUNTY OF KINGS)

Jacob Feder, duly declares and affirms under penalty of perjury:

1. I, Jacob Feder, am the Secretary of the above proposed Debtor (the "Debtor" or "Debtor-in-Possession"), a New York religious, not-for-profit corporation located at its offices at 127 Wallabout Street, Brooklyn, New York, 11206. This affidavit is submitted by the Debtor-in-Possession, pursuant to the E.D.N.Y. Local Bankruptcy Rules, in connection with the filing of a Chapter 11 case by the above Debtor.

2. The Debtor is not a small business debtor within the meaning of the Bankruptcy Code.

3. The Debtor is in the business of owning and operating religious institutions, such as synagogues and schools, for its members. The Debtor operates these functions out of three locations: i) 127 Wallabout Street, Brooklyn, New York, a synagogue and girls' school ("Wallabout"), ii) 795 Kent Avenue, Brooklyn, New York, a boys' school ("Kent"), and iii) 5405 Route 42, South Fallsburgh, New York, a summer camp ("Fallsburgh"). This religious Debtor

has been operating and functioning since 1990, and is affiliated with the Spinka Hasadic Jewish sects. The Spinka Hasadic sect was founded several hundred years ago in Europe and moved to the United States after World War II. The purpose of the Debtor and the Spinka Hasadic sect is to further the religious activities and beliefs of its members.

4. The Debtor is affiliated with the Krula Hasadic Jewish sect, specifically, two corporations, Cong. Khal Zichron Shmuel Zvi D'Krula and Yeshiva Nachlas Tzvi D'Krula. In certain instances, the Debtor operates under the "Krula" name.

5. As a non-profit entity, the Debtor generally pays its bills from donations, tuition, and membership fees. The problem here arose in connection with the Debtor's giving a mortgage to Presidential Bank FSB (the "Bank") in March of 2007 in the amount of \$3,075,000 for purposes of acquiring the Debtor's Fallsburgh property. The Fallsburgh property operates as a retreat and camp in the summer months providing religious instruction for the members and the young students of the Debtor's synagogues and schools located in Brooklyn. As part of that mortgage financing, the Bank demanded and obtained a collateral mortgage upon the Debtor's headquarters located at 127 Wallabout Street, Brooklyn, New York. The monthly payments were approximately \$23,000. The Bank is therefore secured by both the Wallabout and Fallsburgh properties.

6. The Debtor continued to make payments until on or about September 2008, when it began experiencing financial difficulties arising out of the credit crisis in 2008. Donations and tuitions dried up as the members and other charitable persons began feeling the adverse effects of the financial difficulties in the United States at the time.

7. The Debtor and the Bank entered into a Forbearance Agreement. The Debtor continued making payments. However, in late 2012, the Debtor was required to expend funds to protect its installations in Brooklyn in conjunction with Hurricane Sandy. This resulted in

delayed payments to the Bank.

8. Additionally, the Debtor had been involved in a dispute with the Town of Fallsburgh (the "Town") regarding the payment of taxes. The Debtor contended it was exempt and was not required to pay taxes as a not-for-profit religious corporation using the premises for non-profit purposes. The Town contended, however, that the Debtor was required to pay taxes. In January 2011, the Debtor and the Town reached an agreement which exempted the Debtor from the payment of future real estate taxes as a tax exempt entity, but the Town required that the past due taxes of approximately \$400,000 be paid as part of the arrangement. The Debtor was compelled to make several large tax payments in late 2012 and early 2013 in order to avoid a tax lien foreclosure sale.


9. As a result of the above difficulties, the Debtor continued to fall behind in payments to the Bank. In February 2013, the Debtor made a payment of approximately \$22,000 in an effort to begin catching up on the loan. In June 2013, the Bank commenced a foreclosure action. During the negotiations with the Bank, the Bank obtained a judgment of foreclosure in February 2015.

10. Negotiations commenced in early 2013 by the Debtor to settle the matter. In 2014, the offers of a substantial down payment with a limited term were proposed by the Debtor and were rejected by the Bank. Several proposals were made over the next several months. In April of 2015, the Bank proposed that the Debtor put up very substantial funds as a down payment against a discounted settlement amount. The Debtor proceeded to seek funds from its congregants in order to meet this initial requirement. In June of 2015, the Debtor indicated that it could raise the substantial down payment required by the Bank referred above, as part of the discounted settlement amount, which convinced the Debtor's congregants to make donations

toward the down payment. There then ensued a series of delayed intervals involving the Bank's submission of counter proposals. These proposals continued up through July 15, 2015, at which time the Debtor realized the continual "negotiations" were nothing more than the Bank's proceeding to perfect its rights post-judgment. There is a foreclosure sale scheduled for July 17, 2015.

11. There is no unsecured creditors' committee or other committee of creditors.
12. The statement of the Debtor's receipts and expenses is attached hereto.
13. No property is within the possession of any party other than the Debtor.
14. The Debtor's books and records are maintained by the Debtor or by Krula entities who may be involved in the operations.
15. The Debtor's principal management and its history is identified above.
16. The Debtor believes that it will be able to negotiate a settlement with its creditors and propose a viable and confirmable Plan of Reorganization.

Duly declared under penalty of perjury:
July 16, 2015



Name: Jacob Feder
Title: Secretary

12:03 PM
07/15/15
Cash Basis

Bnois Spinka
Profit & Loss Forecast
July 15 - August 15

Ordinary Income/Expense

Income

Tuition	65,753.03
Beabove	10,601.00
Operations receipts	20,000.00
Lunch Program	59,105.00
Donations	20,000.00

Total Income	175,459.03
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Expense

Liability Insurance	5,000.00
Student Activity Programing	2,500.00
Programs Expenses - Other	1,012.00
Programs Expenses	7,662.00
Transportation Expenses	2,730.00
Utilities	9,104.00
Maintenance	425.90
Food Expense	32,050.00
Hygene Activity	200.00
Childerns Activities	4,950.00
Icentive for Students	650.00
Printing and Copying	2,000.00
Students Misc. - Other	100.00
Total Office Supplies	1,100.00
Rent Office	625.00
Payroll Processing	240.00
Collecting Receivables	1,200.00
Advertising Expense	300.00
Operating Expenses - Other	100.00
Looking to Hire	12.00
Payroll	34,800.00
Parsonage	62,500.00
Workers' Compensation	1,560.72

Total Expense	170,821.62
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Net Ordinary Income	4,637.41
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BALANCE SHEET**ASSETS****Real Property**

127 Wallabout Street Brooklyn, New York Synagogue and Girls School	Estimated \$8,000,000
795 Kent Avenue Brooklyn, New York Boys School	Estimated \$5,000,000
5405 Route 42 South Fallsburgh, New York Summer Camp	Estimated \$2,500,000
Seven (7) School Buses	Estimated \$7,000
Assorted Personalty (Desks, chairs, kitchen, etc.)	Estimated \$25,000
Book Balance	Estimated \$60,000 (including outstanding payroll)
Expected Tuition Payments	Estimated \$350,000
	TOTAL: \$15,942,000

LIABILITIES

<u>Secured</u> –	Presidential Bank Mortgage	Approximately \$3,978,844 (first mortgage)
	5405 Route 42 South Fallsburgh, New York (Primary)	
	27 Wallabout Street Brooklyn, New York (Secondary)	
<u>Secured</u> –	5405 Route 42 South Fallsburgh, New York	

Quality Builders	Approximately \$925,000 (second lien position)
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Secured – 795 Kent Avenue
Brooklyn, New York

Cornell Management Mortgage Secured - \$1,300,000 Deposit - \$300,000 redemption (Cornell holds the deed in lieu of security)	Approximately \$3,000,000
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Real Estate Tax Liens and Taxes (Disputed)	Approximately \$1,600,000
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<u>Unsecured Creditors</u>	\$3,800,000
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<u>Accounts Payable</u>	Approximately \$893,000
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<u>Payments for Unissued Payroll</u>	Approximately \$260,000
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<u>Current Payroll</u>	Approximately \$50,000
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<u>Uncashed Payroll</u> (prior to last two weeks)	Approximately \$66,000
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<u>Current Loans</u>	Approximately \$752,000
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<u>Construction Loans</u>	Approximately \$194,000
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<u>Additional Construction Loan</u>	Approximately \$572,000
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TOTAL \$16,090,844